

# Myth-Busters: Work, Disability & Benefits



Working

Disability

Benefits

**“If you think work is stressful, try unemployment, social isolation and poverty.”~ Joe Marrone**

**MYTH** People with mental illness need to be clinically stable before they can work

**FACTS** Research repeatedly shows the many clinical benefits of work:

- Improved self-esteem
- Better control of psychiatric symptoms
- Reduced substance use
- Greater life satisfaction

**The factor that correlates most closely with a person’s ability to work is his or her prior work history.**

People’s mental health status improves as they assume the role of “co-worker” rather than “patient”. People benefit from the structure of the workday, the ability to use their earnings for leisure activities, and the self-respect gained from doing what are considered “normal” adult activities.

Stress associated with work does not translate into higher rates of hospitalization. Any stress that might be created by working is **always** outweighed by the damaging ill-effects of unemployment and poverty.



Myth: If I apply for Social Security benefits and go back to work, my application will be denied.

FACT: You can work and apply for Social Security benefits.

***If you earn less than \$1,010 gross per month in 2012 (\$1,690 if due to blindness) you are able to apply for Social Security benefits.***

**Example:** Juan works for an employer and earns \$700 gross (before taxes) per month. Since he is earning less than \$1,010 gross per month he can apply for Social Security benefits.

***If self-employed, you can apply if your net earnings (money left after paying expenses) are less than \$1,010 per month.***

**Example:** Sandra is self-employed. After she takes out her monthly business expenses, her net monthly income is \$900. Because her net earnings from her business are less than \$1,010, she is able to apply for Social Security benefits.

***There are special programs which can allow you to earn more than \$1,010 (or \$1,690 if blind) per month and still apply for Social Security benefits—talk to the Connect to Work Project Director at 1-800-773-4636.***

**Example:** Leo works part time. He is unable to drive to work on his own because of his disability so he pays someone to drive him to work. His driver is paid for 2 round trips a day, as he does not stay at the work place with Leo. No one reimburses Leo for this expense. Although Leo earns more than \$1,010 per month, when he subtracts the amount that he spends per month for a driver from his gross earnings in a month, it brings the value of his earnings below \$1,010 gross, so he can apply for Social Security benefits.

**Example:** Sam works in an office setting. He requires 10% more supervision than others in the same position. In Sam's case, although he earns more than \$1,010 gross per month, his 10% subsidy brings the value of his earnings below this amount, so he can apply for Social Security benefits.



**FACT:**

**You CAN work and apply for Social Security benefits.**



**MYTH:** If I am currently receiving Social Security benefits and go to work, I will lose my benefits

**FACT:** Many people can go to work and still receive Social Security benefits

**FACT:** Some people will do better by going off Social Security benefits and living on their earnings

## **FACT:**

**Many people will have work incentives available so they can easily go back on their benefits if needed**

### **If on *Supplemental Security Income (SSI)***

- Your SSI benefit decreases as you earn more money
- You keep the first \$85
- Your SSI benefit is reduced by \$1 for every \$2 you earn

**Even if you earn enough money so that your SSI benefit stops, it is easy to get back on your benefit if needed!**

**For more information on how work affects benefits, call the Connect to Work Project at 1-800-773-4636.**

**Example:** Sandra receives \$698.00 per month—the maximum amount of SSI per month in 2012. She takes a job where she earns \$1000 before taxes. She reports her earnings to Social Security and her benefit is adjusted. SSI will now be \$240.00 per month. Let's compare her income:

#### **Before Working**

\$698.00 SSI Only

\$0 Earnings

**\$698.00 Total Income**

#### **Once Employed**

\$ 240.00 SSI

+\$1000.00 Earnings

**\$1240.00 Total Income**

If on **Social Security Disability Insurance (SSDI)**, you get a *Trial Work Period (TWP)*:

- During the 9-month TWP and 3-month grace period, earn as much as you want and still get your full SSDI benefits
- Months do not need to be consecutive. During 2012 any month that you earn \$720 or more before taxes is considered a *Trial Work* month
- If self-employed, any month that you work 80 hours or more in your business is considered a *Trial Work* month even if you aren't grossing \$720 after business expenses are deducted

Once your *Trial Work Period* is over, there are additional work incentives that allow you "easy on and off" benefits. If on SSDI, Social Security will look at certain expenses or special considerations you may have that allow you to keep your benefit and work successfully:

- A *subsidy* is support provided by your employer that may result in your receiving more pay than the actual value of the services you perform
- A *special consideration* is support that is provided by someone other than your employer such as a job coach paid for by an agency
- An *impairment related work expense (IRWE)* is an item or service that you pay for out-of-pocket (is not reimbursed to you by anyone like an insurance company or Medicaid/Medicare) that you need in order to work

**Subsidy Example:** Sam receives SSDI and works in an office setting. In Sam's case, although he earns \$1,100 per month, his 10% subsidy brings the value of his earnings below the \$1,010 gross per month, so he can keep his SSDI benefits-even though he has finished his Trial Work Period.

**Special Consideration Example:** Kelly works 30 hours a week earning \$9.00 per hour. She receives job coaching of 4 hours per week that is paid for by a state agency. In Kelly's situation, even though she is earning above \$1,010 gross per month, when the value of her job coaching hours is subtracted from her gross earnings per month, the value of her earnings is below \$1,010-so she can keep her SSDI, even though she has used her Trial Work Period. (The value of job coaching hours is based on how much Kelly earns per hour, not on what the job coach actually gets paid by her employer.)

#### **SSI Impairment Related Work Expense**

**(IRWE) Example:** Tanya has to pay someone to drive her to work due to her disability. She earns \$1,500 per month before taxes and pays \$20 a day for a driver. Normally her SSI benefit would stop. Because Tanya has an IRWE of \$430 per month, she will get an SSI benefit of \$201 per month.

**There may be times when you can do better by working and giving up your cash benefits from Social Security while still having "safety nets" to go back on benefits if you need them. For more information on how work affects benefits call the Connect to Work Project at 1-800-773-4636.**





## MYTH:

If I go back to work or increase my earnings I will lose my health insurance.

**FACTS** If you are receiving Supplemental Security Income (SSI):

- As long as you receive \$1 (one dollar) a month in SSI, your Medicaid will continue
- If you were on Medicaid at the time that your SSI stopped due to earnings changes, you can continue to keep both Medicaid and your eligibility for SSI until you earn \$68,132 in gross income (in 2012). For this Medicaid coverage group, you need to have less than \$2,000 in *liquid assets* (like savings). If you earn more than that, you can still stay on Medicaid through MED-Connect.

**FACTS** if you are receiving Social Security Disability Insurance (SSDI):

- You will continue to receive Medicare for any month that you receive an SSDI benefit
- Medicare can continue for at least **93 months** after your SSDI benefits stop due to earnings changes
- Working may make you eligible for Medicaid under the MED-Connect coverage group
- You can have income (earned and unearned) of up to \$75,000 a year and receive Medicaid if you work (contact your local Department of Social Services office for an application once you start working)
- It is possible to become eligible for MED-Connect even if you've never received SSDI or SSI—the Department of Social Services does a disability determination to see if your disability meets the Social Security definition



Myth: If I go back to work or increase my earnings, my rent will increase if I live in subsidized housing.

FACTS: There are Earned Income Disregards for people with disabilities who live in certain State and HUD subsidized housing programs:

- In your 1<sup>st</sup> year of work, earnings will not increase your rent at all
- In your 2<sup>nd</sup> year of work, 50% of your earnings will be “disregarded”
- There are additional disregards for medical expenses and for Impairment Related Work Expenses (IRWEs)

The Earned Income Disregards apply for certain State and HUD subsidized housing programs:

- State Rental Assistance Program (RAP)
- HUD Section 8 Housing Choice Voucher Program
- HUD Subsidized Public Housing
- HUD Housing Opportunities for Persons with AIDS (HOPWA)
- HUD Supportive Housing Program
- HUD HOME Program

To be eligible you must:

- Be a person with a disability AND
- Have been unemployed for the 12 months prior to employment or have earned less than 500 hours at Federal minimum wage for the 12 months prior to employment OR
- Have your family’s annual income increased as a result of the family member with a disability having participated in a self-sufficiency or job training program OR
- Have your family’s annual income increased as a result of new employment or increased earnings of a family member who is a person with a disability during or within 6 months after receiving assistance from any state program providing temporary assistance for needy families (TANF)

For further information or clarification of Social Security disability policy and work issues, please contact the Social Security Administration toll-free at 1-800-772-1213, or access THE WORK SITE on the Social Security website at: [www.socialsecurity.gov/work](http://www.socialsecurity.gov/work)